

In the opinion of Stradley Ronon Stevens & Young, LLP, Philadelphia, Pennsylvania, Bond Counsel, assuming continuing compliance by the Authority with certain covenants to comply with provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and any applicable regulations thereunder, interest on the 2016 Bonds is not includable in gross income under Section 103(a) of the Code and is not an item of tax preference for purposes of the federal alternative minimum income tax but is included in current earnings for purposes of the federal alternative minimum tax imposed on certain corporations. See "TAX MATTERS" in this Official Statement. Other provisions of the Code may affect purchasers and holders of the 2016 Bonds. See "Federal Income Tax Treatment of 2016 Bonds" herein for a brief description of these provisions.

Under the laws of the Commonwealth of Pennsylvania (the "Commonwealth"), interest on the 2016 Bonds shall be free from taxation for Commonwealth and local purposes within the Commonwealth, but this exemption does not extend to gift, estate, succession or inheritance taxes or any other taxes not levied or assessed directly on the 2016 Bonds or the interest thereon. Under the laws of the Commonwealth, profits, gains or income derived from the sale, exchange or other disposition of the 2016 Bonds shall be subject to Commonwealth and local taxation within the Commonwealth. For a more complete description, see "TAX MATTERS" herein.



\$52,855,000
DELAWARE COUNTY REGIONAL WATER
QUALITY CONTROL AUTHORITY (DELCORA)
Delaware County, Pennsylvania
Sewer Revenue Bonds, 2016 Series

Dated: Date of Delivery

Due: November 1, as shown on the inside cover

The Delaware County Regional Water Quality Control Authority ("DELCORA" or the "Authority") Sewer Revenue Bonds, 2016 Series (the "2016 Bonds") are issuable only in fully registered form and will be initially registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), serving as securities depository for the 2016 Bonds. Interest on the 2016 Bonds is payable initially on May 1, 2017, and semiannually thereafter on May 1 and November 1 in each year until maturity or prior redemption. Beneficial ownership interests in the 2016 Bonds will be recorded in book-entry only form in denominations of \$5,000 or any integral multiple thereof. The 2016 Bonds will be available to purchasers only under the book-entry system maintained by DTC through brokers and dealers who are, or act through, DTC Participants (as defined herein). The purchasers of the 2016 Bonds will not receive physical delivery of the 2016 Bonds. Payments of principal of, premium, if any, and interest on the 2016 Bonds will be paid by the trustee and paying agent, TD Bank, National Association (the "Trustee") to DTC or its nominee. DTC will credit such payments to the accounts of DTC Participants, which will make payments to the Beneficial Owners (as defined herein) of the 2016 Bonds as more fully described herein. For so long as any purchaser is the Beneficial Owner of a 2016 Bond, such purchaser must maintain an account with a broker or dealer who is, or acts through a DTC Participant to receive payment of the principal of, premium, if any, and interest on, such 2016 Bond. See "BOOK-ENTRY ONLY SYSTEM" herein for a more detailed discussion of the book-entry system and DTC.

The 2016 Bonds are subject to redemption prior to their stated maturity as described herein.

The 2016 Bonds are being issued to provide funds which, together with other available funds of DELCORA, will be used to: (i) fund the costs of various capital projects of the Authority (as described within); (ii) fund a deposit to the Debt Service Reserve Fund under the Indenture (hereafter defined); and (iii) pay the costs of issuing the 2016 Bonds (collectively, the "Project").

The 2016 Bonds are authorized and issued pursuant to the Municipality Authorities Act, 53 Pa.C.S. Ch. 56, as amended, of the Commonwealth of Pennsylvania, and pursuant to the terms and conditions of a Trust Indenture, dated as of July 15, 2001, as heretofore amended and supplemented and as further supplemented by a Sixth Supplemental Trust Indenture, dated as of October 1, 2016 (collectively, the "Indenture") and a resolution of the Authority adopted on September 20, 2016, and are secured by the assignment and pledge of specified revenues of DELCORA to the Trustee, as more fully described herein and in the Indenture.

THE 2016 BONDS ARE LIMITED OBLIGATIONS OF DELCORA PAYABLE SOLELY FROM DELCORA'S REVENUES (AS DEFINED IN THE INDENTURE) FROM THE SEWER SYSTEM (AS DEFINED IN THE INDENTURE) AND CERTAIN FUNDS PLEDGED UNDER THE INDENTURE AND ARE NEITHER A DEBT NOR A LIABILITY OF THE COMMONWEALTH OF PENNSYLVANIA, THE COUNTY OF DELAWARE, PENNSYLVANIA OR ANY OTHER POLITICAL SUBDIVISION THEREOF AND NEITHER THE GENERAL CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF PENNSYLVANIA, THE COUNTY OF DELAWARE, PENNSYLVANIA OR ANY OTHER POLITICAL SUBDIVISION THEREOF IS PLEDGED FOR ANY PAYMENT DUE ON THE 2016 BONDS. DELCORA HAS NO POWER TO LEVY OR COLLECT TAXES.

SEE MATURITY SCHEDULE ON INSIDE COVER PAGE HEREOF.

This cover page contains certain information for quick reference only. It is not a summary of the Official Statement. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The 2016 Bonds are offered, subject to prior sale, withdrawal or modification of such offer without notice, when, as and if issued and delivered to and received by the Underwriter and subject to the approval of legality by Stradley Ronon Stevens & Young, LLP, Philadelphia, Pennsylvania, Bond Counsel, whose opinion to such effect shall be furnished upon delivery of the 2016 Bonds. Certain legal matters will be passed upon for DELCORA by its Counsel, McNichol, Byrne & Matlawski, P.C., Media, Pennsylvania. Certain legal matters will be passed upon for the Underwriter by its Counsel, Cozen O'Connor, Philadelphia, Pennsylvania. Public Financial Management, Inc., Harrisburg, Pennsylvania serves as Financial Advisor to DELCORA in connection with the issuance of the 2016 Bonds. It is expected that the 2016 Bonds in book-entry only form will be available for delivery in New York, New York, on or about October 20, 2016. Appendix B to this Official Statement contains the proposed form of opinion of Bond Counsel to be delivered in connection with the issuance and delivery of the 2016 Bonds. The descriptions of the 2016 Bonds and other documents are qualified in their entirety by reference to them.

Citigroup

Dated: October 6, 2016

provide funding for major pipe repairs/rehabilitation above and beyond repairs that can be addressed with the routine Sewer System Repair.

12. Dry Ash Unloading – The dry ash handling system transports and stores the dry ash produced in the sludge incineration process. The unloading system delivers the ash from the storage silos into the trucks that haul the ash to the landfill. The ash is abrasive and results in a high rate of wear on the system components. Many of the major components have been replaced in recent years. This project will address the unloading system and other components with the dry ash system that need to be overhauled or replaced.
13. Property Purchase – The property adjacent to WRTP became available to DELCORA for a reasonable cost. The existing WRTP property includes very little space for the EPS-1 replacement or other future process structures which will likely be required to accommodate increased flows, to comply with the revised long term control plan, or to comply with more restrictive effluent discharge limits. For these future needs, this adjacent property is highly valuable to DELCORA because it is the only direction in which the WRTP can be expanded. Except for this adjacent property, the WRTP is landlocked by the Delaware River, wetlands, and major rail siding. Its current purchase price is much less than the cost to obtain it in the future through a condemnation/eminent domain process.
14. Consent Decree Early Action CSO Control Measures: DELCORA entered into a Consent Decree (CD) with the United States Government in August 2015. Compliance with this CD requires the implementation of “Early Action CSO Control Measures”. These measures achieve a reduction in CSO volume. Several projects are being implemented to comply with the CD requirement. These include sewer separation, construction of wet weather relief systems, and a replacement of EPS-1 at the WRTP. A sewer separation project is envisioned for the collection system in the vicinity of Widener University near I-95. An additional separation project has been designed for the east side of Chester near DELCORA’s Outfall #32. A wet weather relief system (pump station) is being designed on the Delaware Interceptor near Seaport Drive. EPS-1 pumps influent to the WRTP from the Chester West Interceptor and the Delaware Avenue Interceptor. The structure that houses this pump station was constructed in the 1930s. The structure requires complete renewal and the pumps have reached the end of their useful life. Increased pumping capacity at this station will reduce the CSO discharge volume. This project includes complete replacement of EPS-1 with a new pump station. The existing pump station has a capacity of 13 MGD and the new pump station will have an increased capacity. This added capacity will only be needed during rain events because the normal daily flow, including the plant recycle flow, will only require less than 7 MGD of capacity. Therefore, all of the additional capacity will be used to pump more combined

